

Finance and General Purposes Committee

Minutes of Meeting of 10 September 2024

Present:

Moira Niven (Chair of Finance and General Purposes Committee)
Sue Cook (Chair of the Board of Governors)
Abel Aboh (Non-executive member)
Jackie Galbraith (Principal)
Brian Smillie (UNISON Trade Union member)
CJ Airlie (Student member)

In attendance:

Jennifer McLaren (Vice Principal, Finance and Estates)
Simon Earp (Vice Principal, People, Performance and Improvement)
Hazel Brady (Vice Principal, Learning and Attainment)
Derek O'Sullivan (Head of HR and People Development)
Toluwalase Omokolapo-Oni (HR Business Partner)
Joanna Trybura (Student member in attendance only)
Louise MacDonald (Learning and Skills Manager, Construction, Engineering and Built Environment)
Jenny Stalker (Board Secretary and Governance Advisor)

College Development Network: Board Member Training

The committee benefited from a development session from Gordon Hunt, College Development Network, to bring members up to date with governance responsibilities for board members and charitable trust status. Relevant guidance and codes of good governance were discussed and made available to members.

1 Committee Administration

1.1 Welcome and Apologies

The Chair welcomed everyone to the meeting and welcomed Sue Cook to her first meeting as the new Chair of the Board of Governors.

Apologies were noted from Tony Sharkey (Vice-Chair of the Finance and General Purposes Committee) and Aruna Lopez (Non-executive member).

1.2 Declarations of Conflicts of Interest

There were no declarations of conflicts of interest.

1.3 Minutes of Previous Meeting of 13 June 2024

The minutes of the previous meeting of 13 June 2024 were accepted as a correct record of the meeting.

1.4 Matters Arising from Meeting of 13 June 2024

The committee noted that both actions are in progress. The presentation will be planned for a future meeting and Linda Quinn will attend a future meeting.

2 Matters for recommendation for Board Approval

2.1 Financial Forecast Return (FFR)

The Vice Principal, Finance and Estates introduced the paper and referred to the additional table showing the management accounts in FFR management accounts format which was tabled at the meeting. The committee was asked to recommend Version 2 of the FFR to the Board of Governors.

The committee discussed the paper in detail and considered Version 1 (no action taken) and Version 2 (reflecting agreed management actions) of the Financial Forecast Return.

The committee's attention was drawn to previous action taken to reduce costs in the last two academic years. The committee noted the college's cash position is concerning and discussed the measures being taken to improve it in 2024-25. It was noted that this includes the difficult decision to postpone the upgrade of the professional cookery area.

The committee noted that further savings have been identified and steps taken to secure additional income that aim to achieve trading surpluses for 2025-26 and 2026-27 to significantly improve the cash position. It was noted that the college continues to exceed its credit target.

The Principal reported on a very positive meeting with the Scottish Funding Council (SFC). The committee heard the college met its credit targets and improved student performance, and noted that the SFC is supportive of the college.

The committee agreed that the management team should prepare a worst-case financial forecast scenario and use that to model options. The committee noted the Principal will be holding staff meetings in October to keep staff informed.

The committee expressed support for the financial decisions taken and was confident that the college leadership would address the financial challenges. The committee expressed thanks to college executive management team for their ongoing commitment to securing the college's financial future.

The committee agreed to recommend Option 2 to the board for approval. It was agreed the table which was circulated at the meeting will be included with the board papers.

3 Matters for Committee Approval

3.1 Infrastructure Update Report

The Vice Principal, Finance and Estates presented the paper updating the committee on works carried out over the summer period. The committee expressed thanks to the Estates team for their hard work over the summer on campus improvements. The Digital Infrastructure and the Cleaning teams were also recognised for their work.

Net zero target projects were discussed and the committee noted that project 2 has been successfully completed, subject to minor snagging issues being addressed. It was noted the college is a finalist in two Green Gown categories this year.

The committee requested an update on digital infrastructure developments be included in future papers.

Action 1: Vice Principal, Finance and Estates

Include Digital Infrastructure project update in this report going forward

The committee noted the Infrastructure Report.

4 Matters for Committee Attention

4.1 June 2024 Management Accounts

The Vice Principal, Finance and Estates presented the last set of accounts for 2023-24. It was noted the trading deficit is likely to be in line with that reported in June 2024.

The committee noted the increased cost for the motor vehicle canopy which was due to increased materials costs but that the project would be brought in on budget and to timescale.

The committee noted the report.

4.2 Alternative Income Report

The report was presented by Louise MacDonald who discussed the summary of additional income. The committee heard that additional income has been secured through the Multiplier Project and from the City Deal project. Funding through the Savoy Trust project continues to be progressed to support the development of professional cookery.

The Children's Hearing meeting was positive and it is hoped the contract extension to September 2025 will be signed this week.

The committee noted that, while apprenticeship contracts are progressing well, there may be an impact due to the loss of 400 staff at Mitsubishi.

The committee was comfortable that additional income contributions are healthy and are playing an important part in the college budget. The committee asked for further detail on event hire to be included in the report.

Action 2: Vice Principal, Learning and Attainment

To include detail on event hire along with a capture of evening fees in the next report.

The committee noted the positive report.

4.3 Credit Update 2023-24

The Vice Principal, People, Performance and Improvement introduced the report. The committee noted the positive credit situation and that the FES audit is underway, going well and with no indication the outturn will change the credit situation significantly. The committee noted the college has had clean audits for the last four years.

The committee was interested to note the table detailing the college's positive performance within the sector.

The committee noted the paper.

4.4 HR and People Development Report

The paper was introduced by the Head of HR and People Development.

The committee noted the 92% completion rate for mandatory staff training and the move to a 2-year approach to this training in response to staff feedback about work pressures.

Sickness absence has increased by 1% in this quarter and is being managed proactively.

The committee noted the compressed working hours trial is being extended till next summer and that the Carers Passport has now been launched.

The committee was interested to know more about staff motivation and engagement in the current climate. The committee was informed that staff engagement and enthusiasm is currently very positive, particularly now that pay negotiations have been concluded. The successful staff conference and the very positive feedback received was noted as further evidence of current high morale.

The committee noted the positive report and thanked the HR team for their work.

4.5 College Employers Scotland Update

The committee heard an update on the pay award discussions and noted that no further negotiations will take place until 2025-26. The committee noted the update.

5 Matters for Information

5.1 Student Funds Update 2023-24

The committee noted the Student Funds Report and the very positive use of funding for our students. The Student Funds Team were congratulated on their excellent work, in particular the Student Funds Officer.

The committee noted the paper.

5.2 Industrial Action Update

The industrial action update was noted by the committee. There was nothing further to include in the update.

6 Any Other Business (AOB)

6.1 Review of Committee and Supporting Papers

The committee was content with the quality of papers presented and sufficiency of information.

7 Date of Next Meeting

The date of the next meeting will be Tuesday 19 November 2024 at 10.30 am.

Note: There were no matters discussed during the meeting, during which Members declared a conflict of interest or the Board Secretary and Governance Advisor was aware from the Register of Interests that discussion could give rise to such a conflict.

Signed:

Chair, Finance and General Purposes Committee

Date: